



SBA Procedural Notice

TO: All SBA Employees and Paycheck Protection Program Lenders

CONTROL NO.: 5000-833606

SUBJECT: Extension of Guidance on Whole Loan Sales of Paycheck Protection Program Loans

EFFECTIVE: May 24, 2022

On April 30, 2021, SBA issued SBA Procedural Notice 5000-809242 to extend previously provided guidance to Lenders approved to participate in the Paycheck Protection Program (“PPP”) regarding whole loan sales of PPP loans. The purpose of this Notice is to extend PPP whole loan sales guidance through May 1, 2023, as described and updated below.

Lenders with PPP portfolios may sell all of their interest in PPP loans to other participating Lenders in accordance with 13 CFR § 120.432(a). For purposes of PPP loans only, SBA’s prior written consent is not required. All PPP loans must be sold to Lenders that have a signed SBA Form 750, SBA Form 750 CA, SBA Form 3506, or SBA Form 3507 (referred to individually as a “Loan Guarantee Agreement”). The purchasing Lender must take possession of the note and the loan documents and service the loan. The purchasing Lender, however, may elect to have the originating Lender subservice the loan and hold the note and loan documents on behalf of the purchasing Lender. The purchasing Lender acquires the PPP loan subject to SBA’s existing rights, including its right to deny liability on its guarantee. The PPP loan will be purchased subject to the acquiring Lender’s applicable Loan Guarantee Agreement.

The originating Lender must immediately provide SBA’s Office of Credit Risk Management with notice of any PPP whole loan sale including the name of the purchasing Lender, the current mailing address for both Lenders, an Authorized Lender Official for both Lenders, and valid email addresses for both Authorized Lender Officials. Additionally, the notice must include a loan list in an Excel file format that contains the SBA loan number, borrower name, original loan amount, current loan principal balance, and maturity date. The notice and required information must be submitted to the following e-mail address: PPPLoanSales@sba.gov. For purposes of PPP loans only, the originating Lender will be considered to meet the good standing and satisfactory performance requirements of 13 CFR § 120.433.

The purchasing Lender will be the party responsible to SBA with respect to all servicing actions, including requests for advance purchases and loan forgiveness, and will be the party eligible for the guarantee purchase of a PPP loan.

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EXPIRES: 5-1-2023

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58

NOTE: This Procedural Notice applies to Lender **merger and acquisition** transactions where the Lender has PPP loan(s) in its portfolio.¹ With the respect to Lender merger and acquisition transactions only, in addition to the information required to be included in the Excel file set forth above, the selling Lender must also include a list of **ALL** PPP loans (active, forgiven, cancelled, paid-in-full, etc.) held by the selling Lender and were issued an SBA Loan Number in E-Tran. This will help ensure that the history of all PPP loans is accessible to the purchasing Lender.

Questions

Questions may be directed to Darrel Eddingfield at darrel.eddingfield@sba.gov or PPPLoanSales@sba.gov.

Dianna L. Seaborn
Director
Office of Financial Assistance

¹ Separate SBA Loan Program Requirements unrelated to PPP may also apply to Lender merger and acquisition transactions.